

# Fourth Quarter Variance Report

March 2020

Through

May 2020

Docket No. 19-057-01

Dominion Energy Utah  
Fourth Quarter Variance Report  
March 2020 – May 2020

Questar Gas Company *dba* Dominion Energy Utah (Dominion Energy or Company) respectfully submits this Fourth Quarter Variance Report for the period March 2020 – May 2020. This report identifies the variance between the actual results and the projections set forth in the 2019 – 2020 Integrated Resource Plan (IRP).

Weather

Exhibits 1.1 – 1.3

During the fourth quarter, the actual weather was warmer than the 2019 – 2020 IRP normal temperature estimates for March, but close to the 2019 – 2020 IRP normal temperature estimates for April and May.

Gas Storage

Exhibits 2.1 – 2.6

In the fourth quarter, Clay Basin inventory was significantly higher than the 2019 – 2020 IRP estimates for April and May and slightly lower in March. The higher inventory was caused by increased injections due to decreased demand, increased cost-of-service production and low purchase prices in the later parts of April and May. See Exhibit 2.1.

Aquifer inventory for the quarter was slightly higher in March and matched closely to the 2019 – 2020 IRP Aquifer inventory estimates for the rest of the quarter. The March variance was due to warmer-than-normal temperatures in March and the need to bring Aquifer inventories to levels required for operational efficiency and testing in the summer. See Exhibit 2.2.

Actual Spire Storage West inventory was slightly lower than the 2019 – 2020 IRP inventory estimate due to a later start to the injection schedule for Spire Storage. In April, the Company made withdrawals from Spire Storage West instead of making planned injections because there were some colder days in April and demand was higher than expected. Exhibit 2.3.

Firm Sales

Exhibits 3.1 – 3.4

Actual sales demand in the commercial sector fell below the forecasted level on a weather-normalized basis because of COVID-19 restrictions throughout the quarter. About 19% of the usage variance for the fourth quarter of the 2019-2020 IRP year, or just over 1 million Dth, is attributable to COVID-19. See Exhibit 3.1.

Gas Purchased from Third Parties Volume Variance

Exhibits 4.1 – 4.3

Gas purchases throughout the quarter were significantly lower due to a decrease in demand, an increase in cost-of-service production, and high aquifer withdrawals due to high inventories in March. See Exhibit 4.1.

Gas Purchased from Third Parties Cost Variance

Exhibits 5.1 – 5.3

Purchase gas costs were lower than the 2019 – 2020 IRP estimates because purchased gas was lower than forecasted and prices were lower than forecasted. See Exhibit 5.1.

Gas Purchased from Third Parties Unit Cost Variance Exhibits 6.1, 6.2  
 Purchased Gas unit costs were lower in all months of the quarter compared to the 2019-2020 IRP estimates. See Exhibit 6.1.

Cost-of-Service Gas Exhibits 7.1 – 7.3  
 The cost-of-service gas volume for March, April and May were slightly higher than the 2019 – 2020 IRP estimate. Much of this was due to overproduction in the Canyon Creek, Church Buttes, Trail and Bruff Fields. See Exhibit 7.1.

Cost-of-Service Gas New Drill Component Exhibits 8.1 – 8.3  
 Wexpro New Drill Volumes were in line with the 2019 – 2020 IRP Estimate. Legacy volumes were slightly higher than normal as explained in the Cost-of-Service Gas section above. See Exhibit 8.1.

Table 1 below summarizes purchase and cost-of-service volume variances using 2019 – 2020 IRP projections and actual results as a percent of total. The 2019 -2020 IRP projected purchase gas to be 50% for the quarter. Due to warmer weather and decreased purchases, actual purchase gas represented 28.40% of total gas for the quarter. The Q4 number is a percent of total and not an average.

TABLE 1

	<b>Actual Purchase as Percent of Total</b>	<b>Normal Purchase as Percent of Total</b>	<b>Actual Cost-of-Service as Percent of Total</b>	<b>Normal Cost-of-Service as Percent of Total</b>
Mar-20	34.27%	60.27%	65.73%	39.73%
Apr-20	33.04%	48.81%	66.96%	51.19%
May-20	14.97%	33.68%	85.03%	66.32%
Q4	28.40%	50.00%	71.60%	50.00%

Table 2 below summarizes estimated average daily shut-in verses actual average daily shut-in during the fourth quarter.

TABLE 2

	<b>March</b>	<b>April</b>	<b>May</b>	<b>Total Dth for Quarter</b>
Estimated Shut-in (dth/day)	0	0	0	0
Actual Shut-in (dth/day)	0	0	0	0

Supplemental Graphs Confidential Exhibits 9.1 – 9.3  
 These exhibits reflect source data for Cost-of-service, New Drill and Purchase Gas exhibits.

#### Average Market Price and Cost-of-Service Price

Exhibit 10.1, 10.2

Exhibit 10.1 shows the price difference between cost-of-service gas and average market price. Exhibit 10.2 compares the actual market price with the trailing twelve months (TTM) price of cost-of-service gas on an into-pipe basis.

#### DNG Action Plan

The following projects have been updated during the fourth quarter.

#### New Utah State Prison Site, Salt Lake City, Utah

FL131 to the new Utah State Prison is complete and awaits the commissioning of the State Prison to start service.

#### Flyer Way HP Regulator Station, Salt Lake City, Utah

The facility is complete and awaits completion of tasks related to the site before commissioning can occur. It will be commissioned in time for the heating season of 2020-2021.

Heating Degree Day  
Graphs  
Exhibit 1.1 – 1.3  
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Gas Storage Graphs  
Exhibits 2.1 – 2.6  
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Firm Sales Graphs  
Exhibits 3.1 – 3.4  
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Gas Purchased  
From Third Parties

Volume Variance  
Exhibits 4.1 – 4.3  
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Gas Purchased  
From Third Parties

Cost Variance  
Exhibits 5.1 – 5.3  
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Gas Purchased  
From Third Parties

Unit Cost Variance  
Exhibits 6.1 – 6.2  
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Cost-of-Service Gas  
Exhibits 7.1 – 7.3  
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Cost-of-Service Gas  
New Drill Component  
Exhibits 8.1 – 8.3  
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Data  
Confidential  
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Average Market Price and  
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